

Exam. Code: 217602

Subject Code: 6263

M.Com. 2nd Semester

**CORPORATE FINANCIAL ACCOUNTING AND
AUDITING**

Paper—MC-201

Time Allowed—Three Hours] [Maximum Marks—100

SECTION—A

Note :— Attempt any **TEN** questions. Answer to each question should be in up to ten lines. Each question carries **2** marks.

1. What do you mean by Intangible Assets ?
2. Explain the meaning of Nominal Share Capital.
3. What is meant by Super Profits ?
4. Distinguish between Secured Loan and Unsecured Loan.
5. What is the need for Valuation of Shares ?
6. How is Book Value of the share determined ?
7. What do you understand by Proprietary Audit ?
8. Explain the difference between Internal Audit and External Audit.
9. What are the liabilities of Cost Auditor ?

10. Discuss the meaning of Management Audit.
11. What do you understand by the concept 'True and Fair View' ?
12. What is Qualified Audit Report ?

SECTION—B

Note :— Attempt any **TWO** questions. Answer to each question should be in about **5** pages. Each question carries **20** marks.

1. What is meant by divisible profits ? Explain the provisions of the Companies Act regarding divisible profits. When can dividend be paid out of capital profits ?
2. What is the need for valuation of goodwill ? Discuss various methods for valuation of goodwill. Which method is more suitable for amalgamation situations ?
3. Balance Sheet of XYZ Ltd. as on 31st March, 2015 was as follows :—

Liabilities	Rs.
Share Capital	
4000, 10% Preference shares of Rs. 100 each.	4,00,000
1,00,000 Equity shares of Rs. 10 each.	10,00,000
General Reserve	5,00,000
Profit and Loss A/c	7,00,000
Balance on 1.4.2014	3,20,000
Profit for 2014-15	
(before transfer to reserve)	17,20,000
Creditors	1,92,000
Total	48,32,000

Assets	Rs.
Building	5,80,000
Furniture	32,000
Stock (Market Value)	15,00,000
Investment at cost	13,40,000
Market Value Rs. 18,00,000	
Debtors	11,60,000
Bank	2,00,000
Preliminary Expenses	20,000
Total	48,32,000

Additional Information :

Company's prospects for next year are good. Buildings are now worth Rs. 37,00,000. Profit for the last three years have shown an annual increase of Rs. 2,00,000. The annual transfer to reserve is 25% of net profit. Normal rate of return expected is 15%. Ascertain the value of shares under intrinsic value, yield value and fair value methods.

4. Following is the Trial Balance of AB Ltd. as on 30th June 2015 :

Debit Balances	Rs.
Purchases	24,500
Opening Stock	7,500
Debtors	3,750
Salaries & Wages	6,450
Bad Debts	480
Dividend Paid	900
General Expenses	2,200
Furniture	2,900
Cash at Bank	1,620
Total	50,300

Credit Balances	Rs.
Share Capital	10,000
1,000 shares of Rs. 10 each	
Sales	35,000
Profit & Loss Account on 30/06/2014	1,500
Creditors	1,750
Reserves	1,550
Discount	500
Total	50,300

Prepare Final Accounts of the company after taking into account the following adjustments :

- Stock on 30/06/2015 was valued at Rs. 8,200.
- Depreciate furniture @ 10%.
- Create a provision for bad debts @ 5% on debtors.
- Provide Managing Director's remuneration @ 10% of the net profit available for dividend purpose. Assume tax rate at 30%.
- Dividend Proposed by Board of Directors @ 10% on paid up capital.

SECTION—C

Note :— Attempt any **TWO** questions. Answer to each question should be in about five pages. Each question carries **20** marks.

- Who can become a Statutory Auditor ? Discuss the duties and liabilities of Statutory Auditor.

- Discuss the objectives of Cost Audit. What considerations, a cost auditor should keep in mind while qualifying his audit report ?
- Examine the rationale of Management Audit. Discuss the process of conducting Management Audit.
- What are the aspects which you would focus upon while conducting audit of the Finance function ?

2. Calculate operating, financial and combined leverages. Under situations when fixed costs are (a) Rs. 10,000 and (b) Rs. 20,000 and financial plans 1 and 2 respectively from following information pertaining to the operating and capital structure of a company.

Total Assets	Rs. 60,000	
Total Assets Turnover	2	
Variable cost as % of sales	60	
Capital structure	Financial Plan	
	1	2
Equity	Rs. 50,000	Rs. 10,000
10% Debentures	Rs. 10,000	Rs. 50,000

3. What are the objectives of cash management ? Explain the operative functions of cash management.
4. What do you mean by credit terms ? Explain their relevance in receivables management. What are the factors affecting credit terms ?

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M.Com. 2nd Semester

FINANCIAL MANAGEMENT

Paper—MC-202

Time Allowed—Three Hours] [Maximum Marks—100

SECTION—A

Note :— Attempt any TEN short answer questions from the following 12 questions carrying 2 marks each. The length of answer to each question should be in up to 10 lines.

1. What do you mean by under capitalization ?
2. What do you mean by payout ratio ?
3. What do you mean by explicit cost of capital ?
4. What do you mean by capital structure ?
5. What do you mean by redeemable bonds ?
6. What do you mean by home-made dividend ?
7. What do you mean by financial leverage ?
8. What do you mean by cost of retained earnings ?
9. What do you mean by cost of illiquidity ?
10. What do you mean by credit standards ?

11. What do you mean by lock box system ?
12. What do you mean by fixed financial costs ?

SECTION—B

Note :— Attempt any **TWO** questions carrying **20** marks each.
The length of answer to each question should be in up to **5** pages.

1. Compare and contrast profit maximization and value maximization as objectives of financial management. Which of the two is better ?
2. From the following capital structure of Dalwari Gas Suppliers Limited, calculate overall cost of capital using (a) book value weight and (b) market value weight.

Source	Book Value	Market Value
Equity share capital	14,50,000	23,50,000
Retained earnings	11,20,000	
Preference capital	1,80,000	1,80,000
Debentures	2,80,000	2,50,000

The after tax cost of different sources of capital is as follows :—

Equity share capital 13%; retained earnings 12%; preference capital 10% and debentures 7%.

3. What do you mean by relevance of dividend decision ?
Examine the Walter model of dividend decision.

4. From the following data, state which of the two projects A and B is better :

Project	A	B
Cash flows	Rs.	Rs.
Year 0	– 40,000	– 50,000
Year 1	20,000	25,000
Year 2	20,000	30,000
Year 3	30,000	40,000

Riskless rate of discount is 8%. Project A is less risky as compared to Project B. The risk certainty equivalents coefficient for the cash flows of the two projects A and B are :

Project	A	B
Year 0	0.90	0.80
Year 1	0.80	0.70
Year 2	0.60	0.50

Which of the two projects should be accepted ?

SECTION—C

Note :— Attempt any **TWO** questions carrying **20** marks each.
The length of answer to each question should be in up to **5** pages.

1. What do you mean by net operating cycle ? How would you compute the net operating cycle of a firm ?

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M.Com. 2nd Semester

RESEARCH METHODOLOGY

Paper—MC-203

Time Allowed—Three Hours] [Maximum Marks— 60

SECTION—A

Note :—Attempt any 10 parts. Each part carries 2 marks.

1. Write short notes on the following :—

- (i) Review of Literature
- (ii) Multicollinearity
- (iii) Statement of Research Objectives
- (iv) Observation Method
- (v) Ordinal scale
- (vi) Transforming data
- (vii) Adjusted R^2
- (viii) Research Process
- (ix) Paired Comparison Method
- (x) Control Group
- (xi) Independent and Dependent variables
- (xii) Likelihood Ratio.

SECTION—B

Note :— Attempt any 2 questions. Each question carries 20 marks

2. Define Research Methodology. Discuss the scope of Research Methodology in different fields of management.
3. Select a Research Problem along with the variables to be considered and formulate a theoretical framework to describe the link between the variables under study.
4. Explain the criteria of identifying a problem in detail. Discuss the need of formulating a Research Problem.
5. What is the difference between Exploratory and Descriptive Research design ? What are the different methods in conducting Exploratory Research ?

SECTION—C

Note :— Attempt any 2 questions. Each question carries 20 marks.

6. Explain the concept of Multiple Regression and point out its usefulness in dealing with business problems.
7. Discuss the various steps of data preparation process. What are the precautions a researcher has to keep in mind while entering data ?
8. Differentiate between Likert scale and Semantic Differential scale. Describe the relevance and applications of Likert scale.
9. Discuss the meaning and the steps used in performing factor analysis ? Under what circumstances a researcher should apply factor analysis ?

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M.Com. 2nd Semester

MC-204 : MARKETING MANAGEMENT

Time Allowed—Three Hours] [Maximum Marks—100

Note :— Attempt **five** questions in total. Each question carries equal marks. Question 1 in Section-A is compulsory. Attempt any **two** questions out of Section-B and Section-C each.

SECTION—A

1. Attempt any **ten** questions of the following, each sub question carries **2** marks :

- (a) Define the terms : human need and human wants.
- (b) Which are the different types of customers ?
- (c) What are the characteristics of an effective marketing mix ?
- (d) Selling concept.
- (e) Who is a decider in organisation buying ?
- (f) Market vs. Marketing.
- (g) Speciality goods.
- (h) Difference between penetration and skimming pricing strategy.
- (i) AIDA Model.
- (j) E-commerce.
- (k) Customer relationship management.
- (l) Micro marketing environment.

SECTION—B

2. Describe the significance of the shift from transaction-based marketing to relationship marketing. When does relationship building begin ?
3. Discuss the significance of segmentation, targeting and positioning in a company's marketing strategy.
4. Several competing philosophies such as the selling concept, production concept and product concept exist. How are these different from one another ? How are these different from the marketing concept ?
5. Explain the stages of the consumer buyer decision process and describe how you or your family went through this process to make a recent purchase.

SECTION—C

6. Discuss the issues relevant to marketing's impact on society as a whole and how marketers respond to these criticisms.
7. Explain with examples various strategies opted by the marketer at the various stages of product life cycle.
8. Critically evaluate the various product pricing strategies that are adopted by marketer.
9. Discuss the significance of channels of distribution in marketing. What are its main components ?